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U.S. Department of Agriculture

## Rural Development

# Creating New Opportunity for Rural America

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RURAL DEVELOPMENT  
PROGRAM





Helping the people of rural America develop sustainable communities and improve their quality of life is the goal of USDA's Rural Development mission area. USDA believes rural Americans have a right to the same quality of life as is enjoyed by people who live in suburban and urban areas.

USDA is working to eliminate substandard housing from rural America by helping rural people buy, build or rent decent housing. It also creates jobs by funding the growth and creation of rural businesses and cooperatives. In a typical year, USDA Rural Development programs create or preserve more than 150,000 rural jobs, enable 40,000 to 50,000 rural Americans to buy homes and help 450,000 low-income rural people rent apartments or other housing.

Other USDA programs help rural communities build or improve community facilities, such as schools, health clinics and fire stations. USDA also has programs that help rural communities build or extend utilities, including water, electricity and telecommunications services.

Program assistance is provided in many ways, including direct or guaranteed loans, grants, technical assistance, research and educational materials. To accomplish its mission, USDA Rural Development often works in partnership with state, local and tribal governments, as well as rural businesses, cooperatives and nonprofit agencies.

USDA Rural Development programs are delivered through three of its sister agencies: Rural Utilities Service (RUS), Rural Housing Service (RHS) and Rural Business-Cooperative Service (RBS). A fourth branch, the Office of Community Development, is working with these three agencies to improve the economy and living conditions in the nation's rural Empowerment Zones and Enterprise Communities.

USDA Rural Development has a network of field offices across the nation that administer these programs. In some areas, programs are administered through USDA Service Centers.

## Services to Rural Businesses and Cooperatives

Creation of viable new and improved businesses and cooperatives in rural America is a top priority of USDA.

It works through partnerships with public and private community-based organizations to provide financial assistance, business planning and technical assistance to rural businesses. It also conducts research into rural economic issues, including those affecting rural cooperatives.

Under the Business and Industry (B&I) Guaranteed Loan program, USDA guarantees up to 80 percent of a loan made by a commercial lender to start or expand a rural business or cooperative. The B&I program reduces the risks faced by private lenders and raises their lending limits.



USDA also offers direct B&I loans to some applicants who cannot obtain credit from other sources to start a business.

USDA provides technical assistance, research and educational materials to help improve the performance of the nation's cooperatives. Through various information products, it promotes greater public understanding of the use of the cooperative business system. By working together for their mutual benefit in cooperatives, rural residents are often able to reduce costs for pro-



duction supplies and consumer goods, obtain services that might otherwise be unavailable and achieve

greater returns for their products.

## **Rural Housing and Community Facilities Programs**

Well-built, affordable housing is indispensable to vibrant rural communities. USDA housing programs have helped over 2 million low- or moderate-income rural Americans buy homes. USDA also finances construction of apartments and other multiple family housing in rural communities that lack sufficient, affordable rental housing. It provides rental subsidies to low-income people, many of whom are elderly, so that they pay no more than 30 percent of their income for rent.

The Self-Help Housing program enables low-income families to become homeowners by helping to build their



own homes. Their "sweat equity" becomes their downpayment. Home improvement loans and



grants help low-income, often elderly, people remove health and safety hazards from their homes. An affordable and decent place to live often means that elderly residents can continue to live independently and families can take the training and employment steps necessary to become self-sufficient.

USDA also helps rural communities build or expand vital community facilities, such as libraries, police stations, daycare centers and town halls.



USDA provides direct and guaranteed loans and some grants to help communities acquire needed community facilities. These facilities not only improve the basic qual-

ity of life, but also increase the competitiveness of rural communities in attracting and retaining businesses.

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## Rural Utilities Programs

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The lives of tens of millions of rural Americans are touched daily through the rural utilities programs of USDA Rural Development. Through project financing

and technical assistance, USDA builds infrastructure to provide rural businesses and households with modern telecommunications, electric power and water service. This includes bringing the "Information Superhighway" to rural America; guaranteeing affordable, more reliable electric power; and delivering safe, clean drinking water with environmentally sound wastewater disposal to rural areas.

Through rural utilities programs, USDA promotes economic development by serving as a partner to rural business, providing infrastructure that is the foundation for competitiveness. It is a technical



and financial resource in a time of change for rural utilities.

The Water 2000 program is an ambitious undertaking to extend safe, dependable drinking water to the 1.4 million rural Americans who currently lack this service, and to the 2.4 million people who consistently experience health problems, dry or shallow drinking wells or face frequent

orders to boil their drinking water. USDA has invested \$300 million in loans and grants to the nation's highest priority Water 2000 projects.

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## **Rural Empowerment Zones and Enterprise Communities**

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USDA Rural Development is helping to revive the rural economies of some of the nation's most economically depressed rural areas through its work with three Rural Empowerment Zones (EZ) and 30 Rural Enterprise Communities (EC). Each EZ and EC is benefitting from special economic stimulus programs to help overcome persistently high poverty rates. These EZ/EC designations are helping to revitalize local communities by putting Americans to work. EZs and ECs qualify for special assistance, including social service block grants, new tax-exempt facility bonds, tax incentives for employment, and other special consideration for existing Federal programs.

**For More Information:** USDA Rural Development offices are listed under "United States Government, Agriculture Department" in the blue pages of most phone directories. Or call the USDA Rural Development national office number below for your USDA Rural Development state office.

**Telephone:** USDA Rural Development National Office  
(202) 720-4323

**Website:** <http://www.rurdev.usda.gov>

**Write:** USDA Rural Development  
Office of Public Affairs  
Stop 1705  
1400 Independence Ave. SW  
Washington D.C. 20250-1705

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